



Connecticut's Legislative Commission on Aging

A nonpartisan research and public policy office of the Connecticut General Assembly

Testimony of

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Public Health Committee

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Senator Gerratana, Representative Johnson and esteemed members of the Public Health Committee, my name is Deb Migneault and I am the Senior Policy Analyst for Connecticut's Legislative Commission on Aging. I thank you for this opportunity to comment today on HB 5535.

As you know, Connecticut's Legislative Commission on Aging is the non-partisan, public policy office of the General Assembly devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults. For over twenty years, the Legislative Commission on Aging has served as an effective leader in statewide efforts to promote choice, independence, empowerment and dignity for Connecticut's older adults and persons with disabilities.

HB 5535: An Act Concerning Notice of Patient's Observation Status and Notice Concerning the Qualifications of Those Who Provide Health Care and Counseling Services

~ CT's Legislative Commission on Aging Supports

We are very grateful to this committee for working to address a growing problem for people utilizing Medicare, Medicaid or private insurance coverage. CT's Legislative Commission on Aging supports this bill that helps people understand their hospital status, their benefits and their rights. We have been following this issue closely through the work of our partners and national experts on this issue, The Center for Medicare Advocacy, who has filed a class-action lawsuit to challenge this illegal practice.

As you are aware, increasingly hospital patients are finding they have been in the hospital under "Observation Status" even though they have been cared for in a hospital for many days. These patients have been treated in a regular hospital room,

have been cared for by hospital doctors and nurses, just as you would expect of a stay in a hospital. However, they have not been officially “admitted”. There are cases when an individual has been in hospital for as long as 14 days and yet was never officially admitted.

For people on Medicare the implications seem especially jarring. According to Medicare benefit rules, these patients on observation status are considered “outpatient” and will not have access to the same Medicare benefits as someone who is considered “inpatient”.

The patient on Medicare in observation status will have to pay co-pays for doctor visits and testing and also have to pay for routine drugs they may take for chronic conditions (like high blood pressure and diabetes). Additionally, if the patient is discharged to a skilled nursing facility (SNF) for rehabilitation, the care they receive in the SNF will NOT be covered because they have not met the 3-day inpatient hospital stay requirement. The patient is then responsible for the cost of SNF care.

Medicare does NOT require hospitals to notify patients about their status. Many times, patients believe they are inpatient and do not realize the potential effects to the Medicare benefits. Further concerning is that this practice - of Medicare beneficiaries entering the hospitals as observation patients - is on the rise, according to Kaiser Health News. The number increased by 69% in five years, to 1.6 million people nationally in 2011.

HB 5535 requires hospitals to give written and oral notice of their observation status. CT’s Legislative Commission on Aging fully supports providing this information to patients and most importantly helping the patient to understand how this status affects their coverage and benefits.

To strengthen the intent of the bill and help inform and protect patients, we would suggest that the notice to patients includes information about what it means to be considered “observation status”, particularly that patients may be responsible for the cost of medications and the skilled nursing facility coverage (if relevant). We would also suggest that the notice include that questions regarding their status in addition to their health insurer and Office of Health Care Advocate, be directed to the admitting and/or primary physician.

Thank you for this opportunity to comment. As always, please contact us with any questions. It’s our pleasure and privilege to serve as an objective, nonpartisan resource to you.